

# **Differentiating Indebtedness and Gratitude in the Commercial Exchange Context**

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**Abstract**

Gratitude is increasingly included in the battery of precepts that explain relational exchanges. However, the literature on commercial exchanges has failed to differentiate between the similar, but distinct, measures of gratitude and indebtedness or recognize their potential for differential impacts on relationship quality and other measures of performance. This study: (1) demonstrates the need to conceptually distinguish between the constructs of gratitude and indebtedness; and (2) empirically assesses whether these constructs promote diametrically opposite influences on relational and performance constructs. Furthermore, this study exposes the different conclusions regarding the influence of gratitude drawn by social science researchers and researchers that study commercial exchange in various fields of business. Our empirical study uses strong inference positioning to reveal the theoretical uncertainty surrounding indebtedness and gratitude, and our findings reveal a series of normative implications for future theory development and managerial strategy.

Keywords: Indebtedness, Gratitude.

## **Differentiating Indebtedness and Gratitude in the Commercial Context**

There is support for the inclusion of gratitude in the battery of relational precepts that explain commercial exchange (Morales 2005; Palmatier et al. 2009; Soscia 2007; Weaven, et al. 2015). However, the related construct of indebtedness has only recently been studied within the commercial exchange context (e.g. Bock et al. 2016). The purpose of this study is to discern whether indebtedness is a distinct construct from gratitude or if the two can be conceptualized and interchangeably.

The current answer to this question varies depending on the researcher's field of study. Disciplines such as psychology and sociology have recognized the operational, conceptual, and practical differences between gratitude and indebtedness (Mathews & Green 2010; Tsang 2006; Watkins et al. 2006). Some commercial exchange literature has also made this distinction (Raggio et al. 2014) (Bock et al. 2013). While other published research on commercial exchange has not (e.g. Palmatier et al. 2009).

**Table 1**  
**Research Empirically Distinguishing Between Gratitude and Indebtedness**

Reference	Year	Context	Summative Conclusions
Goei and Boster	2005	Experiment Design Participants were assigned to conditions that involved the receipt of a favor prior to being asked to reciprocate or being asked for a favor with no prior receipt of benefit	Feelings of gratitude explain post-favor compliance. Feelings of indebtedness had no effect
Goei, Roberto, Meyer and Carlyle	2007	Experimental Design Behavioral Manipulations facilitated with confederates. The giving of a favor or apology were manipulated to provoke Indebtedness, Gratitude or Liking Responses	Gratitude, provoked by the receipt of a favor influenced subsequent compliance (returned favor). Feelings of indebtedness had no relationship with compliance
Hendrickson and Goei	2009	Video Vignettes/Survey Methodology Respondents watched videos portraying a dating scenario	Gratitude not indebtedness influenced a positive request for a date after target received a favor (drink)
Mathews and Green	2010	Experimental Design used to Manipulate Individual Self-Focus	Gratitude correlates positively with individual self-focus and social anxiety Indebtedness correlates negatively with individual self-focus and social anxiety
Shen, Wan and Wyer	2011	Experimental Design Scenarios used to manipulate independent variables	Cultural differences influence feelings of either gratitude or indebtedness. Asian people are more likely to feel indebtedness while North Americans will feel more gratitude upon the receipt of a gift
Tsang	2006	Experimental Design Scenario Methods used to Manipulate Benefactor Motives (Benevolent or ulterior motives)	Benevolent intentions increased feelings of gratitude. Indebtedness did not change as a function of benefactor motivations
Watkins, Scheer, Ovniczek and Kolts	2006	Vignette studies that described beneficiaries receiving help moving from the benefactor	Gratitude and Indebtedness can be dissociated Beneficiary belief in benefactor expectation of reciprocal decreases feelings of gratitude and increases feelings of indebtedness

However, although gratitude has received some attention in the relationship marketing literature (Raggio et al. 2014; Weaven, et al. 2016; Wetzel, et al. 2014), indebtedness, its influence on commercial relationships, and the extent to which it is distinct and differently valenced from gratitude has yet to be established. Thus, the purposes of this paper are to critically review and empirically assess indebtedness, its relationship with gratitude, and the state of the relationship marketing and commercial exchange literatures dedicated to the investigation of these constructs.

We first provide a review of both gratitude and indebtedness in extant literature sources. This discussion dovetails into the development of five research propositions. We use a strong inference positioning strategy to conceptually relate indebtedness (both positively and negatively) to relational and performance measures. We derive our propositions from varied sociological and psychological perspectives that appropriately predict both positive and negative influences of indebtedness on selected outcomes.

Next, we critically examine the items that are commonly used to measure behaviors provoked by gratitude. This discussion highlights the uncertainty associated with current conventions on methodology that guide and control much of the gratitude research within the relationship marketing literature (e.g. Weaven et al. 2016; Palmatier et al. 2009, Wetzel, et al. 2014). Finally, we discuss the implications of our research propositions and the empirical data presented herein.

## **Conceptual Background of Gratitude and Indebtedness**

Gratitude is a positively charged affective experience generated in response to benefit(s) received from a benefactor (Emmons & Crumpler 2000; Lazarus & Lazarus 1994; Mathews & Green 2010). However, certain conditions must be met to provoke this emotion. Feelings of gratitude are only provoked when they are believed to be the result of a benefactor's sincere desire to assist the beneficiary in some way, without the demand of reciprocity (Ames et al. 2004; Watkins et al. 2006). Also, the greater the burden on the benefactor, the greater the gratitude that is felt (Shen et al. 2010; Tsang 2007).

Behaviors associated with feelings of gratitude include positive approach motivations (Watkins et al. 2006), relationship building (Algoe et al. 2008), and pro-social behavior (Tsang 2006). Gratitude-inspired behaviors are likely to be of greater magnitude, more persistent, and more repetitive in nature than behaviors provoked by feelings of obligation (Mathews & Green 2010). The behaviors exhibited by the grateful party are also delivered with a sincere desire to help maintain and enhance the relationship itself (Mathews & Green 2010).

Importantly, in disciplines outside of commercial exchange, the positive affective response associated with gratitude is very different conceptually from the negative affect associated with indebtedness (obligation). This is in spite of the fact that both gratitude

and indebtedness have the potential to be provoked at the same time, in response to the same benefit, and to illicit a similar behavioral response (Hendrickson & Goei 2009; Mathews & Green 2010).

Indebtedness is defined as a “state of obligation to repay another” (Gouldner 1960), which typically elicits an uncomfortable state in individuals (Goei & Boster 2007). This is based on a beneficiary’s sense of obligation, typically stemming from the internalization of reciprocal norms (Greenberg & Shapiro 1971).

In the interpersonal relationship literature, it is indebtedness, not gratitude that is associated with norms of reciprocity (Gouldner 1960; Tsang 2006). This contrasts with some of commercial exchange literature (e.g. Palmatier et al. 2009; Wetzel, et al. 2014) where gratitude, not indebtedness, is most closely linked to reciprocal norms.

The relationship between indebtedness and reciprocal norms was originally established by Gouldner (1960). He presents two maxims describing the norm of reciprocity: (1) “people should help those who have helped them” and (2) “people should not injure those who have helped them” (p. 171). Since the internalization of these demands and the perception of social sanctions for not adhering to these demands obligate the beneficiary, they can be viewed as a restriction on behavioral autonomy (Greenberg 1980; Hendrickson & Goei 2009).

Thus, according to the research focused on the interpersonal context, reciprocal norms may influence gratitude (Tsang 2006). However, gratitude’s positive influence on relationships is derived from the positive affective response relationship partners have to their received benefits not simply the relief of perceived obligation (Tsang 2006).

Since the feeling of indebtedness that accompanies the norm of reciprocity is uncomfortable, it is likely that exchange partners will attempt to reduce this feeling (Goei & Boster 2007; Goei et al. 2007). Reduction in obligation (or debt) can be achieved in a number of ways: the fulfillment or repayment of the debt, refusing to accept a benefit in an attempt to avoid the debt (Goei & Boster 2007), and cognitively restructuring the value of the benefits in an effort to reduce its value and the accompanying obligation (Goei et al. 2007; Greenberg & Shapiro 1971). This cognitive restructuring may lead the beneficiary to engage in behaviors that are non-compliant with the reciprocal norms established within the relationship (Goei & Boster 2007).

Indebtedness has the potential to provoke similar behaviors as gratitude (albeit motivated by an oppositely valenced feeling). It is important to recognize that the conceptualization of indebtedness is derived from empirical work conducted in the interpersonal context. The behavioral response to indebtedness in the commercial exchange context has not yet received sufficient empirical attention.

Finally, there is evidence to support the examination of the relational context when these feelings are provoked. Clark and Mills (1979; 1993) distinguish between communal and exchange relationships, with communal relationships being characterized by benefit provision in direct response to the need for the benefit as well as a desire to assist a relationship partner in need (Clark & Mills 1979,1993; Shen et al. 2010). Exchange relationships are defined by the exchange of benefits amongst relationship partners. Exchange relationships are governed by equity and reciprocal norms (e.g., feelings of obligation and indebtedness) (Shen et al. 2010).

Although business relationships are expected to be governed by reciprocal norms (Bagozzi 1997), the notion of relational exchange suggests otherwise. Relational governance in commercial relationships suggests that communal norms influence business relationships as much or even more than exchange relationship norms (e.g., Dwyer et al. 1987; Morgan & Hunt 1994). Assuming that commercial relationships are somewhat communal in nature, indebtedness should exert a negative feeling and yield potentially negative results. However, if commercial relationships are influenced by exchange norms (Clark & Mills 1979), then obligation within the relationship may be evidence that the relationship is behaving consistently with the foundational precepts of the exchange agreement. It is then reasonable to expect that perceived obligations associated with positive feelings toward the relationship.

Social exchange theory, a psychological theory derived from the work of Homans (1958) and Thibaut & Kelley (1959), is used to explain human behavior within groups. It also serves as theoretical foundation explaining how indebtedness positively influences commercial relationships. The theory is based on reciprocal exchange. Reciprocal rules dictate that, as one individual gives, another returns in some measure what was given (Thibaut & Kelley 1959). However, the balance of this exchange is not always equal (Adams 1965). Social exchange theory explains that how an individual feels about the exchanges within their relationships is dependent on their perceptions of (1) the difference between what is put into the relationship versus what is returned, (2) the kind of relationship the individual feels they deserve, and (3) the chance of having a better relationship with someone else (the attractiveness of alternatives) (Thibaut & Kelley 1959)

Recognizing that people evaluate their relationships, at least in part, by what they feel they deserve, provides insight into how the commercial context differs from interpersonal contexts. We assert that it is possible in the commercial exchange context, where norms of reciprocity are externalized, that the receipt of a benefit may be perceived by the beneficiary as merely the fulfilment of one side of the contract.

Thus, this feeling of obligation is rooted in neither indebtedness nor gratitude. In this context, exchange partners perceive benefactors as a relational actor in the commercial exchange context who are simply doing their part to ensure the health of the relationship. Therefore, even though a buyer may feel an obligation to repay the benefits, this obligation is normal and the proper result within the context of this relationship.

## **Theoretical Uncertainty – Strong Inference Research Proposals**

The following discussion uses a strong inference positioning strategy to show that the valence of indebtedness and its relationships with outcome variables is not settled. Our strong inference positioning will show how theoretical perspectives used to predict relational behaviors allow for both a positive and negative relationship between indebtedness and critical relationship outcomes. Relationship quality is an appropriate proxy for relationship success and is conceptualized as a multi-dimensional construct (Ivens 2004; Palmatier et al. 2006). It is described in terms of its three constituent components; trust, commitment, and satisfaction (Dant et al. 2013). These studies rely on the work of Moorman et al. (1992), who offer a parsimonious definition of trust, as “a willingness to rely on an exchange partner in whom one has confidence” (p. 315). This implies an action or behavior on the part of the trustor while having confidence in the trustee.

The positive relationship that indebtedness has with trust is best demonstrated through the externalization of norms of reciprocity. The contractual nature of business relationships explicitly demands that partners act for one another, in order to fulfill the contract. When a benefactor acts to fulfill the contract, the beneficiary interprets these actions as justification for trusting the benefactor. Furthermore, the benefactor’s actions are interpreted as providing benefit for the beneficiary and will thus result in the beneficiary feeling a sense of obligation to return such benefit. In this situation, it is possible that the beneficiary, sensing a feeling of obligation, will interpret this as a positive feeling since this obligation is essentially an indicator that the relationship is functioning well. The beneficiary, though not motivated by feelings of gratitude, is happily moved to return the gesture because, in this context, their partner has indicated a desire to fulfill their obligations.

These gestures will positively relate with feelings of trust as the beneficiary sees the fulfillment of obligations as a matter of equity and fairness (Jex et al. 2002). Each action that reaffirms congruent relational terms allows each partner to gain trust in the other, even if these actions obligate themselves in return. Accordingly, we propose the following relationship:

**P1a:** There is a positive relationship between feelings of indebtedness and perceptions of trust in the commercial exchange context

Business relationships have the potential to be influenced by both affective governance mechanisms that influence interpersonal relationships (e.g. Doney & Canon 1997, Dwyer et al. 1987; Moorman et al. 1992) and by contractual stipulations that mandate certain behaviors. This engenders an “ought” sensibility or an obligation associated with implementing the provisions of the contract. Greenberg and Shapiro (1971) suggest that

such feelings of indebtedness foster avoidance behaviors and motivate beneficiaries to cognitively diminish the value of benefits received. Obligations can also be perceived as restrictions on behavioral autonomy (Handrickison & Goei 2009), which is another motivator for avoidance behaviors. Both avoidance behaviors and the propensity to diminish the value of benefits received appear antithetical to the essence of trust.

The negative relationship between trust and indebtedness can be understood by describing obligation in terms of benefits that go beyond what is contractually required. A beneficiary may view the bestowing of extra benefits as an effort to purposely provoke a sense of indebtedness and gain relational leverage. This leverage is likely to be perceived as unfairly derived from efforts that were beyond the scope of the relationship. Thus, a beneficiary may feel less trust due to suspicion of the motivations of the benefactor. Accordingly, we propose the following:

P1b: There is a negative relationship between feelings of indebtedness and perceptions of trust in the commercial exchange context

Commitment, like trust, has been extensively researched and defined in many ways. The desire to stay involved and engaged in an exchange relationship is a consistent theme across commitment's varying conceptualizations (e.g., Morgan & Hunt 1994; Moorman et al. 1992; Dwyer et al. 1987). We posit that committed relationships are typified by a strong desire to stay engaged in the exchange relationship. From this logic, we connect feelings of indebtedness positively to commitment.

Commitment is a cognitively based construct derived from the evaluative process relationship partners engage in as they observe the functioning of relationship mechanics (Palmatier et al. 2009). As the relationship continues to function well, a desire to continue the relationship is provoked. However, commercial relationships differ from interpersonal relationships in that they are founded on, and perhaps defined by, material exchange.

In this commercial context, when relationship partners see each other providing material benefit, we posit that each will deem the procedural requirements of the relationship as met. This signals the fairness of the exchange and justifies the continuance of the relationship. For this reason, relationship actors in are expected to feel obligated to return such benefits. However, these feelings of obligation are not accompanied by positive feelings of gratitude, but rather positive evaluations of the functioning of the relationship. For these reasons, we suggest there is a positive relationship between indebtedness and commitment. Thus:

P2a: There is a positive relationship between feelings of indebtedness and perceptions of commitment in the commercial exchange context.

Conversely, behaviors associated with feelings of indebtedness in the interpersonal context include the desire to keep one's exchange partner at a distance, engaging in exchange as little as possible, or flatly rejecting one's exchange partner all together (e.g., Watkins et al. 2006). Assuming the feelings that provoke these behaviors are similar in the commercial exchange environment, one can deduce that the desire to continue those exchanges is likely to recede. This may be especially true when the benefit bestowed upon the beneficiary is perceived as greater than what the contract demands. In this situation, the people governing or managing these commercial relationships will experience indebtedness as a negative affect and something to negate (Watkins et al. 2006). Should a beneficiary work towards reducing their obligations, these actions will concomitantly diminish a beneficiary's feelings of commitment. This is due to the retreat or avoidance behaviors that indebted beneficiaries engage in (Watkins et al. 2006). Thus, when extrapolating indebtedness responses from the interpersonal context, we argue that, in the commercial exchange context, indebtedness will yield a negative influence on those who perceive it. Therefore:

**P2b:** There is a negative relationship between feelings of indebtedness and perceptions of commitment.

Within the business and commercial exchange literature, satisfaction is most often conceived of as an overall evaluation and affective response toward one's exchange partner (Anderson & Narus 1984; Dant et al. 2006; Gaski & Nevin 1985; Scheer & Stern 1992). The positive relationship between satisfaction and indebtedness is derived from a similar logic used to positively relate commitment and indebtedness. Both come from an evaluation of the mechanics that enable the mutual realization of material benefits within a commercial relationship. Feelings of indebtedness result from positive evaluations of relationship processes that result in fair and equitable exchange. If one relationship partner owes another, it may be due to the just exchange of consideration. This exchange defines the commercial relationship, so when one relationship partner fulfills their obligations it is natural for other relationship actors to feel as if they owe their relationship partner something in return. As discussed above, this feeling of 'owing' is not to be confused with gratitude, despite its positive affect.

As with commitment, the evaluative considerations associated with determining satisfaction should be positive when the relationship partner realizes they are beholden to their exchange partner. When feelings of obligation are the result of fair and equitable trade between relationship partners, positive feelings of satisfaction will emerge in recognition of their involvement in a fair and just commercial relationship. Consequently:

**P3a:** There is a positive relationship between feelings of indebtedness and perceptions of satisfaction.

The inverse relationship between indebtedness and satisfaction is derived from the same norms of reciprocity that are conjectured to provide inverse relationships between indebtedness, trust, and commitment. Reciprocity norms provoke feelings of being beholden, uneasiness, and discomfort indebtedness (Goei & Boster 2007). Research has established that the discomfort associated with feelings of indebtedness are so displeasing to the indebted beneficiary, that they will actively seek to reduce or eliminate such negative feelings (Goei & Boster 2007).

Extrapolating the theoretical principles from the interpersonal relationship literature, we should conclude that indebtedness would only be provoked when one partner bestows benefits that extend beyond the mandated exchange. Non-mandated exchange may run the risk of provoking negative feelings of obligation should these benefits be perceived as an effort to gain favor or relationship leverage. Should this be the case, the relationship partner who receives these benefits will not be satisfied with the relationship. These negative feelings of obligation will provoke a sense that extra work and resources must now be devoted toward the equity (im)balance in the relationship.

From this logic, we propose:

**P3b:** There is an inverse relationship between feelings of indebtedness and perceptions of satisfaction.

Developing long-term relationships in commercial exchange is viewed as an effective mechanism for bolstering firm performance (Morgan & Hunt 1994; Sheth & Parvatiar 1995). Accordingly, we contend that, if relationship partners perceive obligation through the well-functioning mechanics of the relationship, they should also perceive positive relational and performance outcomes.

If the relationship partner believes the performance of the relationship is strong, they will feel an amplified sense of obligation. Although a certain degree of pressure may be associated with this heightened sense of obligation, the positive evaluation of organizational performance ensures these feelings are derived from positive affect. Thus:

**P4a:** There is a positive relationship between feelings of indebtedness and perceptions of performance.

Conversely, a negative relationship between indebtedness and reciprocal behaviors has been confirmed in previous research (e.g., Hendrickson & Goei 2009). We believe the salience of indebtedness and the realization that this negatively valenced emotion has restricted potentially productive and constructive relationship behaviors forces a negative assessment of performance. Therefore:

**P4b:** There is an inverse relationship between feelings of indebtedness and perceptions of performance.

## Empirical Uncertainty

There are a number of issues with the methodologies that have been used to measure gratitude in the commercial exchange literature. We suggest that these imprecise measurements have subsequently influenced our (lack of) understanding of indebtedness in this context. Primarily, some of the items used to study gratitude may confuse or capture sentiments of both gratitude and/or indebtedness. Specifically, the behavioral measures of gratitude first published in the work by Palmatier et al. (2009), and subsequently adopted by others researching gratitude in the commercial exchange context (e.g. Wetzel et al. 2014; Weaven et al. 2016), might actually be measuring indebtedness. These items read as follows: “1. We have bought products based on our gratitude for their extra effort”; “2. We have given more business to this (Target) because we owed it to them”; and “3. This (Target) has received opportunities to sell additional products as payback for past efforts.” Although Item 1 is certainly measuring behavioral responses to gratitude, the verbiage in the other two items provide satisfactory evidence to call their face validity into question.

The use of the word ‘owed’ in Item 2 should be considered in light of the definition of indebtedness (“a state of obligation to repay another”). Hendrickson and Goei (2009) used the phrase “she owes something” as one of their indebtedness measures. One of Goei et al’s (2003) measures of indebtedness read, “I felt that I owed my partner”. Similarly, Goei and Boster (2007) asked the general question “I didn’t feel that I owed anything at all to the person who did me a favor” as their reverse coded measure of indebtedness. A more thorough listing of items used to measure indebtedness are listed in Table 2.

**Table 2. Representative Indebtedness Items**

<b>Author(s)</b>	<b>Representative Indebtedness Items</b>
Hendrickson and Goei (2009)	7 pt scale anchored by not at all and very much 1. A sense of obligation 2. Pressure to be nice to 3. she owes something to 4. Indebted to
Tsang (2006; 2007)	7 pt scale anchored by 1 not at all 7 totally Reason for resource distribution 2. To fulfill an obligation
Gordon et al. (2012)	7 pt scale anchored by 1 not at all 7 very much People feel many different things as a result of others' actions. Using the scale below, please indicate how each item describes how you feel as a result of your partners actions toward you 1. indebted
Goei et al. (2003)	7 pt scale anchored by strongly agree - strongly disagree 1. I felt obligated to buy from my partner 2. I felt that I owed my partner
Goei et al. (2007)	Semantic differential scale anchored by not at all and to a large extent (1-7) 1. I felt that I had to buy 2. I felt pressured to do something
Doer and Victim (1977)	In the help giving situation the following question was asked What do you feel towards the called person after the agreement to help? a. Indebtedness (65% of close friends indicated this one choice over the other three) b. Attraction 21% c. Good self-feeling 10% d. Other 3.3%

**Table 2. Continued**

Shen, Wan and Wyr (2011)	<p>Scenario Methodology was used</p> <p>Indebtedness was measured as</p> <ol style="list-style-type: none"> <li>1. I would feel indebted after tasting the soup</li> <li>2. I would feel uncomfortable tasting the soup for free</li> </ol> <p>Second Experiment</p> <ol style="list-style-type: none"> <li>1. I think I am obligated to give my classmate a favor in the future</li> </ol>
Mathews and Green (2010)	<ol style="list-style-type: none"> <li>1. One should return favors from a friend as quickly as possible to preserve the friendship</li> </ol>
Goei and Boster (2007)	<p>Experiment 1 &amp; 2 scales 7 pt scale (Likert Scale)</p> <ol style="list-style-type: none"> <li>1. I felt obligated after receiving the favor</li> <li>2. I had no choice. I simply had to do something for the other</li> <li>3. I felt indebted to the favor-doer</li> <li>4. After receiving the favor, I felt pressure to do something in return</li> </ol> <p>1. I didn't feel that I owed anything at all to the person who did me a favor (reverse coded)</p>
Tsang (2006)	<p>7 pt scale</p> <p>appreciative</p> <p>indebted</p> <p>obligated</p>
Kolyesnikova and Dogg (2008)	<p>buying wine is the socially proper thing to do</p> <p>feelings of ethical indebtedness to buy wine</p> <p>purchase expectation from winery personnel</p> <p>in return for wine tasting</p> <p>in return for the tour</p>
Watkins et al. (2006)	<p>One item scale asking the extent a subject feels obligated to repay a favor</p>

Note: A number of published studies only provided partial or representative items. For this reason, not all of the scales in the table above are complete.

The phrasing in the Item 3 is also ambiguous. This item reads: “This (Target) has received opportunities to sell additional products as payback for past efforts”, the word ‘payback’ is not used in any of the known literature that has investigated indebtedness. However, many of the items used to measure this construct used phrasing that implies the notion of returning a received benefit due to a sense of obligation. For instance, Goei et al. (2003) used items such as “I felt obligated to buy from my partner” and “I felt that I owed my partner”. Mathews and Green (2010) used “[o]ne should return favors from a friend as quickly as possible to preserve the friendship” as one measure of indebtedness, while Goei and Boster (2007) used “I felt obligated after receiving the favor” and “[a]fter receiving the favor, I felt pressure to do something in return” to measure indebtedness.

Though these sentiments of ‘returning the favor’ may certainly be associated with gratitude, the specific wording of the items used to measure gratitude-based behaviors are more consistent with items measuring indebtedness. The definitions of both gratitude and indebtedness were presented to 38 undergraduate business students in an effort to vet these items. Students reported their beliefs about whether the items on the gratitude-based behaviors scale described either indebtedness, gratitude, both, or neither of the constructs. The results are listed in Table 3.

**Table 3 Survey Results**

	<i>Gratitude</i>		<i>Indebtedness</i>		<i>Both</i>		<i>None</i>	
	<i># of stu- dents</i>	<i>% of stu- dents</i>						
GBB Item 2	7	18%	28	74%	3	8%	0	0%
GBB Item 3	17	45%	12	32%	9	24%	0	0%

Table 3 shows very little consensus regarding these items. Only 7 out of 38 surveyed students indicated that GBB Item 2 is a behavioral sentiment related to gratitude. Only 28 of these students saw it as a sentiment aligned with indebtedness. The ambiguity shown in these results should be enough to give gratitude researchers pause before employing this scale. GBB 3 fared better with nine of those surveyed believing that this item captured feelings of both gratitude and indebtedness. Only twelve students indicated this item’s alignment with the behavioral response to indebtedness and not gratitude. None of those surveyed indicated that an item measured neither gratitude nor indebtedness. This means this inconsistency may not be an issue if, for a given study, there is no need to distinguish between these constructs. To be fair to the authors who presented these adapted items in the relational marketing literature, this is exactly how many relational marketing scholars have treated these sentiments. However, whether or not these constructs are interchangeable or oppositely valenced feelings is still an open question.

The recent work of Bock et al. (2016) complicates this issue further. The results of their work support the idea that, when employees are engaged in behaviors that are perceived as benevolent, a positive gratitude-based response emerges. However, actions of front

line employees that were perceived as selfish or excessive caused customers feel indebted. When measuring gratitude, the authors used keywords like 'grateful', 'thankful', and 'appreciate'. The indebtedness measures focused on keywords like 'owe' and 'payback' along with 'indebted'.

The interesting aspects of this study lay in the positive relationships between indebtedness and positive word of mouth and avoidance. Support for this relationship is plentiful in the social science literatures. However, the relationship between indebtedness and positive word of mouth was also positive. This suggests that, in the commercial setting, indebted feelings can have a positive influence on customer response toward the retailer. This result is conspicuous for its inconsistency with the social science disciplines that have investigated both gratitude and indebtedness. However, it seems consistent the marketing literature that has used "owed" and "payback" to measure gratitude (not indebtedness) (e.g. Palmatier et al. 2009; Weaven et al. 2016).

These inconsistencies evidence the lack of face validity or context sensitivity in some of the items used in a variety of studies. This reveals potential hazards in what is currently a nascent stream of literature. There is contradictory evidence, across disciplines and contexts, for marketing researchers to assume that the measurement conventions of these constructs are appropriately established.

## **Research Design**

In an effort to explore the themes of imprecise research design and empirical uncertainty, psychometric tests were conducted on the gratitude-based behavior items. We completed two comparative studies on sets of franchisees in Australia, where indebtedness and gratitude were positioned relative to other common relational variable in an effort to ascertain the extent face validity concerns are affecting the results of any empirical analysis. The first study represents something of an exploratory investigation used to gauge how we should expect these relationships to work within the contractual setting. In this study, the antecedents were positioned next to critical relationship variables such as trust and commitment due to the almost universal understanding of the importance of these constructs throughout the relationship marketing literature.

The second study is both a replication and extension of the first. It replicates the first study by positioning the antecedent variables (both gratitude and the gratitude-based behavior measures that arguably represent indebtedness measures) in the same relationships with the outcomes variables as the first study. The one exception to this is the relationship these antecedents have with performance, which was not measured in the first study. Thus, the second study confirms the conclusions drawn from the first study while reinforcing the importance of these relationships by revealing the influences that these variables have on the critical outcome variable of performance.

The data for both studies were obtained from the same population of more than 2,000 franchisees across Australia. A database maintained by the Franchising Council of Australia housed the contact information for these franchisees. E-mail surveys were distributed to these franchisees and each was strongly encouraged to participate in the survey. The Australian franchisee sector closely resembles that of other developed western economies and thus, suggests generalizability beyond Australia. This database represents all 28 sectors in Australian franchising (cf. Frazer, Weaven and Brody 2012). Careful steps were taken to make sure that respondents represented in one sample were not also included in the analysis of the other.

The franchise context is appropriate for two reasons. First, franchising represents 52.8% of all retailing in Australia, the highest penetration of this retailing format in the world (Dant et al. 2011). More importantly, in franchising, these constructs operate in a setting that contractually stipulates many, but not all, of the details of the exchanges between relationship partners. Due to these stipulations, franchising is a natural context for sentiments of “ought” or indebtedness to emerge.

The demographic information for Study One and Study Two participants is summarized in Table 4. The gender split of the franchisee sample was 72% male in Study One and 69% male in Study Two which closely approximates the national profile, (Frazer et al. 2010). Most respondents were aged between 41 and 60 (59% and 61%, respectively), which is consistent with recent franchising population data (Frazer et al. 2010). The average years of ownership are 6.68 and 7.98 years, respectively, which is consistent with Australian franchise surveys (Frazer et al. 2008; Frazer et al. 2010).

**Table 4.**  
**Sample Statistics**

<b>Demographics</b>	<b>n</b>		<b>% in Sample</b>	
	Study One n = 439	Study Two n = 219	Study One	Study Two
<b>Gender</b>				
Male	304	157	69%	72%
Female	117	59	27%	27%
Unknown	18	3	4%	1%
<b>Age</b>				
18-30	33	22	8%	10%
31-40	95	49	22%	22%
41-50	145	76	33%	35%
51-60	116	56	26%	26%
61-70	31	16	7%	7%
Over 70	3	0	1%	0%
Unknown	16	0	4%	0%
<b>Franchise Ownership</b>				
Average Years of Ownership	6.68	7.98	N/A	N/A
Minimum Years of Ownership	<1	1	N/A	N/A
Maximum Years of Ownership	23	23	N/A	N/A

Participants in the studies completed questionnaires comprised of several multi-item Likert-type measures of the latent constructs. Items were anchored with 5-point responses ranging from (1) Strongly Agree to (5) Strongly Disagree. All of the multi-item measures employed are drawn from well-established academic sources where rigorous psychometric assessment previously occurred (see Appendix 1 for specifics of these items together with their original sources).

Anonymous responses, randomized item distribution, and using measures from previously established instruments helped combat common method bias (Podsakoff et al. 2003). The correlations among all factors are below the  $r=0.90$  threshold that typically signifies the presence of common method bias (Podsakoff et al. 2003). Taken together, if present, common method bias does not appear to be influencing our results.

The inter-factor correlations and descriptive statistics for both studies are in Table 5. The reliabilities for each construct range from 0.85 to 0.96, well above the 0.70 threshold prescribed by Hair et al. (1998). Thus, our scale items (Appendix 1) provide reliable estimates of the latent constructs in our studies. We used procedures prescribed by Armstrong and Overton (1977) to assess whether nonresponse bias, if present, influ-

enced the results of our studies. Armstrong and Overton recommend performing a correction for nonresponse bias only when experts agree on the direction of the predicted bias and this prediction is consistent with the observed trends across response waves. The authors of this study, who served as the topic experts, did not agree on the predicted direction of the bias. One author, relying on the interest hypothesis, suggested that those who are in a favorable and rewarding relationship with their franchisor would be the first to respond while later and non-respondents were more likely than early respondents to be in less rewarding franchisee franchisor relationships. This would, in the judgement of one of the study's authors produce a bias away from positive relational constructs in respondents in the later waves.

**Table 5.**  
**Correlations and Descriptive Statistics**

	Study1			Study2			1	2	3	4	5	6
	M	SD	AVE	M	SD	AVE						
1. Gratitude	2.82	1.15	0.90	4.21	1.65	0.91	0.96/0.97	0.75**	0.80**	0.67**	0.76**	N/A
2. Gratitude Based Behaviors	2.51	1.01	0.74	3.83	1.75	0.89	0.85**	0.89/0.95	0.66**	0.52**	0.63**	N/A
3. Trust	3.17	1.16	0.83	4.96	1.47	0.88	0.75**	0.68	0.96/0.97	0.71**	0.69**	N/A
4. Commitment	3.72	0.83	0.59	5.39	1.31	0.86	0.73**	0.59**	0.81**	0.85/0.97	0.87**	N/A
5. Satisfaction	3.35	1.01	0.69	5.03	1.52	0.85	0.81**	0.68**	0.85**	0.79**	0.93/0.97	N/A
6. Subjective Performance	N/A	N/A	N/A	4.96	1.31	0.77	0.46**	0.39**	0.45**	0.50**	0.53**	0.94

\*\*p<0.01

Notes: AVE = Average Variance Extracted. Study 1 (Study 2) correlations reported above (below) diagonal; Composite reliabilities are reported on the diagonal for Study1/Study2.

Objective Performance measure reflects total annual sales (\$10,000); N/A = not applicable

Contrarily, the study's other author, relying on previous franchisee-franchisor relationship research experience believed that many disgruntled and otherwise unhappy franchisees are often eager to express their frustrations in anonymous surveys. Thus, either there would be no difference in the means of the critical relational constructs between early and late respondents or there might even be a slight bias away from positive relational constructs in the early waves instead of the later ones. According to Armstrong and Overton, this disagreement alone is enough to suggest that nonresponse bias would not be a problem with these studies.

However, in an effort to affirm these conclusion with more rigor, examinations of the first and second waves for both studies, on the key constructs of interest, was compared to see if there was any consistency in the direction of bias between each wave within each study along with a comparison of any potential trend across studies. The results were inconsistent. The means of the key relational constructs in the first wave were sometimes slightly larger than the same means in the second wave in the same study.

Further evidence of the absence of nonresponse bias is the fact that these trends were not consistent when the two studies were compared to each other. For instance, in the first study, gratitude's mean was slightly higher in the second wave than the first, but in the second study, this pattern is reversed. Since both studies used the same Australian franchisee population, it would appear that, to the extent present, nonresponse bias is not influencing the results and subsequent conclusions of the studies presented in this paper.

We conducted a confirmatory factor analysis on each franchisee sample. The results indicate a satisfactory fit of the measurement model. The CFA fit statistics are as follows: RMR = 0.03, CFI = 0.95, NFI = 0.95, NNFI = .93 for Study One. Study Two fit indices are RMR = 0.02, CFI = 0.93, NFI = 0.93, NNFI = .91. All measurement items have significant factor loadings on their corresponding theoretical constructs ( $p < .001$ ). These results support the presence of convergent validity. Discriminant validity was assessed by determining the average variance extracted (AVE) for each construct, and by verifying that it was greater than the corresponding squared correlations for all possible pairs of constructs (Fornell & Larcker 1981).

Following the strict evaluation of item-level psychometric properties, we constructed a correlation matrix at the item level for the gratitude-based behavior scales (Table 6). These items are all highly correlated. When evaluated in this context, along with the results of the psychometric evaluations, these scales appear to successfully measure the behavioral components of indebtedness (or gratitude), while sentiments of other relational constructs appear not to influence how these items behave in relation to each other.

**Table 6.****Gratitude Based Behaviors Item Correlations**

	<b>Item1</b>	<b>Item2</b>	<b>Item3</b>
Item 1	1.00	0.89	0.85
Item 2	0.80	1.00	0.90
Item 3	0.70	0.72	1.00

Note: Correlations for study one (two) are shown

below (above) the diagonal. All correlations

significant at the  $p < 0.01$  level

However, this says nothing about how well these items capture the behavioral responses of indebtedness (or gratitude) when evaluated in relation to other relational constructs. In an effort to investigate this further, we analyzed a series of regression equations with each gratitude-based behavior item that resembles indebtedness as single-behavior measure. Gratitude (the non-behavioral items) were included in these regression equations for the purposes of comparison.

**Table 7.**  
**Results: Proposed Model Estimates (Regression Coefficients)**

<b>Proposed Paths</b>	<b>b</b>	<b>t-Values</b>	<b>Proposed Paths</b>	<b>b</b>	<b>t-Values</b>
<b>Study One (n = 439)</b>			<b>Study Two (n = 219)</b>		
Gratitude --> Trust	0.80	27.50**	Gratitude --> Trust	0.74	12.69
Gratitude --> Commitment	0.67	18.99**	Gratitude --> Commitment	0.74	13.04
Gratitude --> Satisfaction	0.79	26.85**	Gratitude --> Satisfaction	0.81	12.32
			Gratitude --> Subjective Performance	0.45	6.93
GBB 1 --> Trust	0.74	23.17**	GBB 1 --> Trust	0.71	14.12
GBB 2 --> Trust	0.66	18.20**	GBB 2 --> Trust	0.63	11.35
GBB 3 --> Trust	0.56	14.22**	GBB 3 --> Trust	0.61	10.85
GBB 1 --> Commitment	0.59	15.17**	GBB 1 --> Commitment	0.67	12.65
GBB 2 --> Commitment	0.47	11.20**	GBB 2 --> Commitment	0.59	10.18
GBB 3 --> Commitment	0.51	12.19**	GBB 3 --> Commitment	0.56	9.57
GBB 1 --> Satisfaction	0.72	21.82**	GBB 1 --> Satisfaction	0.76	16.30
GBB 2 --> Satisfaction	0.62	16.42**	GBB 2 --> Satisfaction	0.68	12.99
GBB 3 --> Satisfaction	0.57	14.33**	GBB 3 --> Satisfaction	0.66	12.09
			GBB 1 --> Subjective Performance	0.41	6.22
			GBB 2 --> Subjective Performance	0.37	5.52
			GBB 3 --> Subjective Performance	0.38	5.69

All paths significant at the  $p < .01$  level

Note: b represents standardized path coefficient

GBB = Gratitude Based Behaviors

## Results and Discussion

The results show consistent, positive relationships among the gratitude-based behavior items and the facet constructs of relationship quality (i.e., trust, commitment, and satisfaction). However, the magnitudes of these relationships are not consistent.

GBB Items 2 and 3, which use words closely aligned with sentiments of indebtedness (e.g., ought, payback) show considerably smaller standardized coefficients, regardless of relationship or study. Gratitude, however, showed significant and positive relationships with each of the facet constructs of relationship quality, as well as performance. The standardized loadings show that the magnitudes of these relationships are quite strong. This evidence is consistent with recent research demonstrating the positive influence of gratitude on commercial exchange (Palmatier et al. 2009; Weaven et al. 2016). Gratitude's three-item scale produced standardized loadings that were larger than any of the paths that related gratitude-based behaviors to those same relationship quality and performance constructs.

Interestingly, the results reveal consistently larger relationships between the first gratitude-based behavior item and relationship quality and performance than the relationships between the other two GBB items and the outcome variables. In all cases, the first gratitude-based behavior outcome relationship produced larger standardized regression coefficients than the other two items. We suggest that these other two items contain words that conjure sentiments more closely aligned with indebtedness than the positive feelings of gratitude. The first gratitude-based item does not contain any of this potentially confounding verbiage.

All relationships between each of the items are positive. What motivates these behaviors is unknown. Do respondents really feel a sincere feeling of gratitude when they indicate they will continue to do business with a supplier out of a sense of 'ought' (GBB Item 2) or because they are trying to 'payback' their relationship partner (GBB Item 3)? Even though these items produced positive relationships with the outcomes tested in this study, this does not mean that positive feelings are motivating these behaviors. The difference between the magnitudes of the relationships associated with GBB 1 and the other two items may have something to do with a positive feeling associated with GBB 1, while GBB 2 and GBB 3 are more consistent with a need to repay a debt.

If this is the case, the magnitude of these relationships will be smaller. According to the interpersonal literature, individuals feeling a sense of obligation will seek to alleviate these feelings (Gouldner 1960; Tsang 2004). This may explain the diminished strength in the relationships among GBB 2, GBB3, and the relationship quality and performance variables. However, based on the theoretical discussion above, we propose that positive relationships between feelings of indebtedness, relationship quality, and performance may provide a more logically consistent explanation.

Specifically, those propositions rely on the evaluative efforts of a relationship partner as they examine their commercial relationship. The demonstration of grateful feelings goes beyond the mere recognition of mutually agreed upon exchange (Palmatier et al. 2009). When a benefactor perceives the bestowing of a benefit, gratitude is provoked. This is beyond what is required to fulfill relational obligations. However, commercial exchange relies on the continuance of the exchange of benefit (Clark & Mills 1993). These expectations are made clear prior to the consummation of the relationship. The expectations of mutual exchange make the positive relationships between obligation and relationship quality and performance more intuitive.

Relationship partners, when evaluating the quality of their relationships, will view bestowed benefits favorably, which will contribute to the positive evaluation of the relationship as a whole. Although obligation is provoked in the beneficiary, the expectation of continued mutually beneficial exchange is the basis of the commercial relationship. We argue here that this context helps the indebtedness construct and is recognized as a positive feeling within the beneficiary. Indebtedness (a continuing obligation) signals the continued receipt and subsequent reciprocal behaviors required for commercial exchanges to survive. In this context, indebtedness acts as a powerful indicator of the health of the relationship.

The beneficiary can reason that the acts that provoked the obligation are evidence that justifies their trust in their relationship. Feelings of satisfaction and commitment may also be provoked. The beneficiary may determine that continued obligation between exchange partners leads to continued benefits. If observed behavior supports this belief, there is reason to want to stay committed to the relationship. This results in a satisfactory assessment of the relationship as well.

We also contend that these positive associations between sentiments of obligation and relational constructs have a foundation in the cognitive evaluation of the relationship. The cognitive, as opposed to affective, evaluation diminishes the magnitude of these relationships when compared to feelings of gratitude. A potential explanation for this lies in people's expectancy of benefit due to its overt statement in the relationship contract.

In this case, indebtedness and its related behaviors may be the result of a cognitive evaluation that concludes that obligation is part of externalized relational norms. Feelings of gratitude, however, are more likely produced within relational partners when they perceive that an exchange partner is providing benefits that are beyond relationship norms. These feelings represent a greater positive affective response to the greater-than-normal bestowed benefit.

An indebtedness-rooted response to a contractually obligated benefit may simply be a response that provides a level of assurance and satisfaction with the functioning of the

relationship. When bestowed benefits are consistent with relational norms, there is no reason for the benefactor to experience a greater affective response. This is because the cognitive evaluation has led the beneficiary to conclude that, although things are operating well, they are operating just as they are supposed to. Although they now 'owe' because of receiving some benefit, strong feelings regarding this benefit are muted due to the normative expectation of their relationship. Hence, behaviors that provoke indebtedness still relate positively to relationship constructs, but the magnitude of those relationships are smaller than those provoked by gratitude.

It is important to remember the purpose of this paper is to provide evidence that scholars are currently unaware of what provokes gratitude and indebtedness sentiments. The stream of literature investigating gratitude, and especially indebtedness, within the commercial exchange context is nascent. Perhaps due to the relative novelty of this stream of literature, it has presented a series of inconsistencies.

First, theoretical uncertainties have yet to reconcile where not distinguishing between gratitude and indebtedness in this context is necessary. The theoretical discussion above uses separate theoretical justifications for both establishing such a distinction as well as using the terms synonymously. Moreover, empirical issues remain. Some scholars have implemented these constructs distinctly (e.g. Bock et al. 2016), while others have allowed for the apparent co-mingling of these related, yet potentially oppositely valenced constructs (e.g. Palmatier et al. 2009; Wetzel et al. 2014; Weaven et al. 2016). There is no clear, evidence-based justification for business researchers to ignore the distinction between these constructs. The theoretical and empirical evidence presented in this paper provides evidence that gratitude researchers working in the commercial exchange context should pause and work to resolve these issues prior to moving forward with their research.

## **Future Research**

The theoretical and empirical discussions presented herein suggest several directions for future research. First, the gratitude-based behavior scale, which reflects sentiments of indebtedness, appears to lack face validity. We recommend the development of a new, comprehensive measure of indebtedness and gratitude that incorporates the multi-factorial scales used in social psychology literature, which pertain to the measurement of, appreciation, and resentment in interpersonal relationships (e.g., Adler & Fagley 2005; Watkins et al. 2003; Wood et al. 2010).

Second, we support the recent calls within the marketing literature (e.g., Dant et al. 2011) for gathering data from both sides of the exchange dyad to gain a more comprehensive understanding of the dynamics underlying the influences that the sentiments of gratitude and indebtedness have upon the operation and performance of commercial exchange relationships.

Lastly, this research represents a critical examination of the current stream of literature concerning gratitude within the commercial exchange. Our empirical studies used the franchising sector to gather data to test these propositions, limitations, and strengths of gratitude measurement items. We recommend that future researchers empirically test our hypotheses within other commercial exchange settings (e.g., OEM-supplier, supplier-industrial distributor, and supplier-retailer). Such varied dyadic contexts may provide additional insights into the utility of our results and validity of our stated criticisms.

## Conclusions

Two streams of literature offer competing perspectives regarding the role of reciprocal norms and their influence on relational behaviors. The relational exchange literature asserts that gratitude is grounded in reciprocal norms (Bagozzi 1995; Palmatier et al. 2009) and leads to positive outcomes. However, the interpersonal relationship literature argues that indebtedness, not gratitude is rooted in reciprocal norms. In this literature indebtedness is related but distinct from gratitude (cf. Table 1) and results in diametrically opposite outcomes (Tsang 2007).

In essence, commercial exchange scholars tend to treat the constructs of indebtedness and gratitude synonymously or they have ignored the proposed negative influence of indebtedness altogether (e.g., Morales 2005; Raggio & Folse 2011). However, there is a significant body of research that confirms the differing influences of gratitude and indebtedness (e.g., Watkins et al. 2006; Tsang 2006, 2007; cf. Table 1). These scholars have justified the connection between norms of reciprocity and indebtedness, but not reciprocity and gratitude (Gouldner 1960; Greenberg & Shapiro 1971). In their view, indebtedness is provoked from the internalization of reciprocal norms (Goei et al. 2007; Greenberg & Shapiro 1971). This motivates reciprocal behaviors, which restore equity within the relationship and alleviates the presence of uncomfortable feelings and perceived behavioral restrictions associated with being indebted to another party (Adams 1963; Goulder 1960; Greenberg & Shapiro 1971; Goei et al. 2007).

This contradiction, coupled with the results presented in the two studies reported herein, leads us to the following conclusions. The positive effect gratitude has on exchange relationships and performance is reinforced (Palmatier et al. 2009; Weaven et al. 2016). However, our results call into question the presumed positive effect that all reciprocal norms are purported to have on relational outcomes.

Thus, our findings advance the assessment of reciprocity's dominant role in commercial exchange by providing a more nuanced perspective on the factors motivating reciprocal behaviors. However, we find that not all sentiments arising out of the receipt of material benefits are alike.

On the contrary, whether the resultant feelings are positive (as with gratitude) or potentially negative (as with indebtedness) is linked to the perceived motivations of the benefactor and the context in which they were bestowed. Actions emanating from the perceived altruistic motivations of the grantor generate the positively valenced feelings of gratitude. However, the consequences of perceived obligation (i.e., indebtedness) in the beneficiary remain unclear and appear to be influenced heavily by context and perception. The factors that distinguish between a positive or negative affective and or behavioral response to indebtedness appear to not be entirely understood in the commercial exchange context, thus more work is needed here.

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## Appendix 1

Construct	Item	Standardized Loading		t-stat	
		Study One	Study Two	Study One	Study Two
<b>Gratitude: Adapted from Palmatier et al. (2009)</b>					
<i>(Study One &amp; Two)</i>					
	I feel grateful to my franchisor	0.97	0.96	*	*
	I feel thankful to my franchisor	0.98	0.98	289.60	212.10
	I feel appreciative of my franchisor	0.89	0.93	87.75	106.20
<b>Gratitude Based Behaviors: Adapted from Palmatier et al. (2009)</b>					
<i>(Study One &amp; Two)</i>					
	We have conducted business with our franchisor based on our gratitude for their efforts	0.88	0.92	*	*
	We have given more business to this franchisor because we owed it to them	0.89	0.97	44.34	76.66
	We make it a point to buy services and good through the franchisor as payback for their past helpful efforts	0.80	0.92	37.52	75.05
<b>Trust: Adapted from Crosby et al. (1990)</b>					
<i>(Study One &amp; Two)</i>					
	I can count on my franchisor to be honest in its dealings with me.	0.89	0.92	*	*
	My franchisor is a company that stands by its word.	0.92	0.95	115.70	144.30
	I can rely on my franchisor to keep the promises they make to me.	0.92	0.93	115.00	100.90
	My franchisor is sincere in its dealings with me.	0.94	0.93	138.10	106.00
	My franchisor can be counted on to do what is right.	0.95	0.93	161.20	95.59
	My franchisor is a company that I have great confidence in.	0.87	0.91	68.33	74.95
<b>Commitment: Adapted from Kaufmann and Stern (1988)</b>					
<i>(Study One)</i>					
	We are committed to preserving a good working relationship with our franchisor	0.8263	N/A	*	N/A
	We consider our franchisor to be our business partner	0.8022	N/A	289.60	N/A
	We conscientiously try to maintain a cooperative relationship with our franchisor	0.7869	N/A	87.75	N/A
	Our relationship with our franchisor is more important to us than profits from individual transactions	0.6509	N/A	48.41	N/A

## Appendix 1 Continued

Construct	Item	Study One	Study Two	Study One	Study Two
<b>Commitment:</b> <i>(Study Two)</i>	<b>Adapted from Kumar, Hibbard and Stern (1994)</b>				
	We have a mutually beneficial relationship.	N/A	0.91	N/A	*
	I enjoy working with this franchisor.	N/A	0.91	N/A	79.18
	It feels like the franchisor and I are constantly doing something for each other.	N/A	0.87	N/A	54.18
	I feel as though the franchisor and I are "in it together".	N/A	0.90	N/A	74.65
	I feel that the values of this franchise system match my own.	N/A	0.86	N/A	50.72
	The franchisor and I get along well together.	N/A	0.88	N/A	61.21
	The franchisor and I tend to share similar values.	N/A	0.91	N/A	79.47
	We are very committed to the relationship with our franchisor.	N/A	0.87	N/A	54.19
	We intend to continue functioning as a franchisee of our franchisor.	N/A	0.79	N/A	31.94
	We try our best to maintain our relationship with our franchisor.	N/A	0.76	N/A	27.84
	We feel proud to belong to this franchise system.	N/A	0.89	N/A	63.29
<b>Satisfaction:</b> <i>(Study One &amp; Two)</i>	<b>Adapted from Dant (1986)</b>				
	OVERALL, we consider our relationship with the franchisor to be: Satisfying	0.92	0.92	*	*
	OVERALL, we consider our relationship with the franchisor to be: Friendly	0.41	0.90	10.16	74.69
	OVERALL, we consider our relationship with the franchisor to be: Fair	0.90	0.94	89.84	112.40
	OVERALL, we consider our relationship with the franchisor to be: Supportive	0.91	0.94	97.36	112.90
	OVERALL, we consider our relationship with the franchisor to be: Considerate	0.88	0.93	78.94	106.00
	OVERALL, we consider our relationship with the franchisor to be: Healthy	0.91	0.96	98.05	164.60
	OVERALL, we consider our relationship with the franchisor to be: Cordial	0.79	0.86	41.58	50.46
<b>Subjective Performance:</b> <i>(Study Two)</i>	<b>Adapted from Lusch and Brown (1986)</b>				
	In regard to the relationship we have with our franchisor how would you rate your relationship's performance in terms of				
	1. Sales growth	N/A	0.9175	N/A	*
	2. Profit growth	N/A	0.9478	N/A	113.00
	3. Overall profitability	N/A	0.9257	N/A	89.01
	4. Labor productivity	N/A	0.7159	N/A	22.45
	5. Cash Flow	N/A	0.8506	N/A	49.46
<b>Objective Performance</b> <i>(Study Two)</i>					
	What was the turnover of your franchise unit (total annual sales)	N/A	N/A	N/A	N/A

## Appendix 1 Continued

Construct	Item	Standardized Loading		t-stat	
		Study One	Study Two	Study One	Study Two
<b>Commitment: Adapted from Kumar, Hibbard and Stern (1994)</b>					
<i>(Study Two)</i>					
	We have a mutually beneficial relationship.	N/A	0.91	N/A	*
	I enjoy working with this franchisor.	N/A	0.91	N/A	79.18
	It feels like the franchisor and I are constantly doing something for each other.	N/A	0.87	N/A	54.18
	I feel as though the franchisor and I are "in it together".	N/A	0.90	N/A	74.65
	I feel that the values of this franchise system match my own.	N/A	0.86	N/A	50.72
	The franchisor and I get along well together.	N/A	0.88	N/A	61.21
	The franchisor and I tend to share similar values.	N/A	0.91	N/A	79.47
	We are very committed to the relationship with our franchisor.	N/A	0.87	N/A	54.19
	We intend to continue functioning as a franchisee of our franchisor.	N/A	0.79	N/A	31.94
	We try our best to maintain our relationship with our franchisor.	N/A	0.76	N/A	27.84
	We feel proud to belong to this franchise system.	N/A	0.89	N/A	63.29
<b>Satisfaction: Adapted from Dant (1986)</b>					
<i>(Study One &amp; Two)</i>					
	OVERALL, we consider our relationship with the franchisor to be: Satisfying	0.92	0.92	*	*
	OVERALL, we consider our relationship with the franchisor to be: Friendly	0.41	0.90	10.16	74.69
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<b>Subjective Performance: Adapted from Lusch and Brown (1986)</b>					
<i>(Study Two)</i>					
	In regard to the relationship we have with our franchisor how would you rate your relationship's performance in terms of				
	1. Sales growth	N/A	0.9175	N/A	*
	2. Profit growth	N/A	0.9478	N/A	113.00
	3. Overall profitability	N/A	0.9257	N/A	89.01
	4. Labor productivity	N/A	0.7159	N/A	22.45
	5. Cash Flow	N/A	0.8506	N/A	49.46

## Appendix 1 Continued

Standardized Loading

t-stat

<b>Construct</b>	<b>Item</b>	<b>Study One</b>	<b>Study Two</b>	<b>Study One</b>	<b>Study Two</b>
<b>Objective Performance</b>					
<b>(Study Two)</b>					
	What was the turnover of your franchise unit (total annual sales)	N/A	N/A	N/A	N/A

\* Value set to 1

<sup>1</sup> For this study, the items that used terms like ought and payback are described as Gratitude Based Behaviors (GBB) despite their consistency with the indebtedness items from the social science and some marketing (e.g. Bock, Garretson-Folse and Black 2016) literature. This is in an effort to remain consistent with the original source literature (i.e. Palmatier *et al.* 2009)